

# Amending the boundaries and the board of directors of the Harris County Improvement District Number 6

HB 4091 by Coleman (Ellis)

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**DIGEST:** HB 4091 would have changed the membership of the board of directors of the Harris County Improvement District Number 6, increased the numbers of directors on the board from 11 to 13, altered the date at which board members' terms would expire, and amended the boundaries of the district.

**GOVERNOR'S  
REASON FOR  
VETO:**

"House Bill No. 4091 seeks to amend the enabling statute creating the Harris County Improvement District No. 6, which is a municipal management district governed by Chapter 375, Local Government Code. The changes proposed by House Bill No. 4091 would add territory to the district, increase the district's board of directors from 11 to 13 members, and list seven new directors by name.

"Municipal management districts are intended to provide a means for municipalities to focus additional resources on specific areas or neighborhoods for improvements and revitalization. Currently, the law governing these districts applies concepts of local control under the Local Government Code. I support the use of management districts to promote and encourage employment, commerce, economic development and the public welfare.

"Under the Local Government Code, members of a district's board of directors are approved by the governing body of the municipality in which the district is located. However, House Bill No. 4091 would increase the number of directors serving on the board of the Harris County Improvement District No. 6, and specifically, would designate replacement board members and name new directors – all without the approval from the local governing body. Similarly, House Bill No. 4091 would expand the district's territory in a manner that does not allow input from the citizens and property owners of the annexed land being brought into the management district. I support the current method of a district annexing property subject to the approval of the local governing body and the safeguards that public input provides.

"House Bill No. 4091 would usurp municipal oversight that is critical to the proper functioning of these districts and the appointment of board members and approval of boundary changes is a vital part of the municipalities' oversight responsibility."

**RESPONSE:** Rep. Garnet Coleman, the bill's author, said: "HB 4091 expanded Harris County Improvement District No. 6, also known as the East Montrose Management District, to include the entire Montrose area. It also expanded its board to update the statute and ensure that west Montrose businesses were properly represented.

"This management district was originally intended to provide services to the entire Montrose area, but there was local opposition and I decided that the district should be located on the east side of Montrose in House District 147, which I represent. In 2005, during the 79th Regular Session, Harris County Improvement District No. 6 was successfully created by HB 3518. This district has received widespread support, and the local opposition to expanding the district to the west has since been dissolved.

“In his reasoning for vetoing the bill, the governor contends that the legislative process somehow usurps power from the city of Houston and does not allow for public input. That is inaccurate. Before the management district could assess any businesses in the annexed area:

1. A written petition must be filed with the board from a majority of business owners who could be assessed, requesting the services and improvements to be paid for with the assessments.
2. Upon receipt of petitions, the district must send, by certified mail, to every property owner potentially subject to assessment a notice of a public hearing.
3. The district must then conduct a public hearing and hear testimony in favor or against the proposed improvements and assessments.
4. Finally, the district must obtain consent from the city council of the city of Houston of the inclusion of land into the district. Even with the passage of this bill, the municipality, local citizens and property owners must approve the annexation.

“There are two ways that a district may be expanded. The first is through a local process in which a majority of the landowners in the district must come to an agreement with the city and the district. The second is through a legislative process that changes the original statute and then goes through the local process described above. I chose to use the legislative process to expand the district, so that the statute would properly reflect the actual boundaries of the district.

“In his veto message, Gov. Perry mentioned that he supports the local process that a management district may use to annex land. However, the local process requires no more local input than the legislative process. Both processes require support by a majority of land owners and approval from the city. Also, HB 4091 provided the exact same input and local process as is used when creating a new management district. This process has been used to create every management district and has proven to allow for local input.

“Gov. Perry also argues that by expanding the board, HB 4091 again assumes a role that the city of Houston should have. I disagree with this assertion. Many of the members that were replaced were already on the board and had received approval from the city. HB 4091 just updated what the city had already done. The bill then expanded the board to ensure proper representation on the west side. Many board members already owned property on both sides of Montrose, so I only needed to add two members. No one opposed these additions; not the city nor local business. Furthermore, Gov. Perry failed to recognize that when a management district is created, the legislation names the initial board of directors and there is no city approval. The reason there needs to be city approval for naming new board members is because it is not feasible to have the Legislature change the statute every time a board member is added or resigns.

“HB 4091 was supported by local business and passed both the House and the Senate without opposition. Neither the city of Houston nor local citizens contacted my office with any opposition. This bill would have helped revitalize and improve the Montrose

area. By vetoing this bill, the governor has slowed the process by which Harris County Improvement District No. 6 may annex new land.

“Management districts have been effective throughout Houston and allow the local communities to hire additional police, who increase security and assist with graffiti abatement. These additional resources are above and beyond city and local services. As a result, there is an increased value of property and businesses in the area, helping increase business development for the community. I intend to file this bill next session with hopes that the governor will understand its purpose and the widespread support from the community for this expansion.”

Sen. Rodney Ellis, the Senate sponsor, had no comment on the veto.

**NOTES:**

HB 4091 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.